

Message Text

CONFIDENTIAL

PAGE 01 STATE 100776

67

ORIGIN PM-07

INFO OCT-01 AF-10 EA-11 NEA-10 ADP-00 CIAE-00 DODE-00 H-02

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-12 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 IGA-02 MC-02

ACDA-19 /181 R

DRAFTED BY PM/ PA: DJJAMES: ML

5-23-73 EXT. 27774

APPROVED BY PM: TRPICKERING

T: MR. LEWIS

AF: MR. NAVEZ

EA: CAPT. WARREN

OSD/ISA(SA): MR. EVANS

NEA: COL. MUNDY

S/ S- MR. MILLER

----- 030453

P 250024 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY PHNOM PENH PRIORITY

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY BANGKOK

AMEMBASSY AMMAN

AMEMBASSY SEOUL

AMEMBASSY ANKARA

INFO AMEMBASSY ADDIS ABABA PRIORITY

C O N F I D E N T I A L STATE 100776

E. O. 11652: GDS

TAGS: MASS

SUBJECT: SECURITY ASSISTANCE

FOR THE AMBASSADOR FROM UNDER SECRETARY TARR

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 100776

REF: STATE 024348

1. AS YOU ARE AWARE, THE ADMINISTRATION HAS SUBMITTED THE FY 1974 SECURITY ASSISTANCE PROGRAM LEGISLATIVE PACKAGE TO CONGRESS. FOR FY 1974 THE ADMINISTRATION IS PROPOSING A NUMBER OF BASIC CHANGES IN THE STRUCTURE AND DIRECTION OF THE SECURITY ASSISTANCE PROGRAM. THESE CHANGES REPRESENT OUR CONTINUING EFFORT TO MOVE SECURITY ASSISTANCE RECIPIENT NATIONS TOWARD INCREASED SELF- RELIANCE. THIS CHANGING EMPHASIS OF THE PROGRAM IS REFLECTED IN THE FOLLOWING MEASURES: (A) TERMINATION OF GRANT MILITARY MATERIEL ASSISTANCE TO RECIPIENT COUNTRIES AS THEY BECOME CAPABLE OF ASSUMING MORE OF THEIR DEFENSE BURDEN; (B) THE SHIP TRANSFER PROGRAM IS BEING ALTERED TO STRESS SALES ARRANGEMENTS; AND (C) THE ESTABLISHMENT OF A SEPARATE AND DISTINCT INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM WITHIN THE FOREIGN ASSISTANCE ACT. ECONOMIC ASSISTANCE FOR INDOCHINA RECONSTRUCTION AND REHABILITATION IS BEING REQUESTED SEPARATELY REFLECTING THE NEW SITUATION BROUGHT ABOUT BY THE CEASEFIRE.

2. THE ADMINISTRATION IS REQUESTING THE FOLLOWING NEW OBLIGATIONAL AUTHORITY FOR SECURITY ASSISTANCE IN FY 1974: GRANT MILITARY ASSISTANCE 652 MILLION US DOLS; FMS CREDIT AND GUARANTIES 525 MILLION US DOLS; SECURITY SUPPORTING ASSISTANCE (EXCLUDING INDOCHINA) 100 MILLION US DOLS; AND 33 MILLION US DOLS FOR THE INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM. IN A NEW PART V OF THE FOREIGN ASSISTANCE ACT THE ADMINISTRATION IS REQUESTING 632 MILLION US DOLS FOR INDOCHINA RECONSTRUCTION AND REHABILITATION.

3. ON MAY 22 THE SENATE FOREIGN RELATIONS COMMITTEE REPORTED OUT A MODIFICATION OF A BILL INTRODUCED BY SENATOR FULBRIGHT WHICH WOULD NOT ONLY RADICALLY ALTER SECURITY ASSISTANCE BUT PHASE OUT GRANT MATERIEL AID BY THE END OF FY 77. PROVISIONS OF THIS SENATE BILL ARE BEING REPORTED TO YOU SEPARATELY. THE HOUSE FOREIGN AFFAIRS COMMITTEE HAS BEGUN ITS HEARINGS ON THE ADMINISTRATION'S FY 74 SECURITY ASSISTANCE LEGISLATIVE PACKAGE.

CONFIDENTIAL

PAGE 03 STATE 100776

4. OBVIOUSLY, IT IS TOO EARLY TO PREDICT WHAT WILL BE THE OUTCOME OF THE FY 1974 SECURITY ASSISTANCE HEARINGS AND WHAT WILL BE THE SHAPE OF THE PROGRAM AND THE AMOUNT OF FUNDS THAT CONGRESS WILL APPROVE. WE MUST, MORE THAN EVER, RELATE SECURITY ASSISTANCE PROGRAMS TO IMPORTANT US

NATIONAL SECURITY AND FOREIGN POLICY INTERESTS AND GOALS IN EACH COUNTRY. IN GENERAL, THIS MEANS INCREASED EMPHASIS MUST BE PLACED UPON SHIFTING OUR MILITARY ASSISTANCE PROGRAMS FROM GRANT ASSISTANCE TO CREDIT SALES, WITH THE EARLIEST FEASIBLE ATTAINMENT OF THE GOAL OF FULL SELF-RELIANCE SUPPORTED BY CASH SALES. IN ANY CASE, WE SHOULD INDUCE RECIPIENT COUNTRIES TO TAKE A MORE REALISTIC VIEW OF THEIR SECURITY NEEDS AND OF THE RESOURCES NEEDED TO MEET THESE NEEDS.

5. THE INTER-AGENCY SECURITY ASSISTANCE PROGRAM REVIEW COMMITTEE (SAPRC), WHICH I CHAIR, WILL SOON BEGIN DELIBERATIONS ON THE FY 1975-79 PROGRAMS FOR INDIVIDUAL COUNTRIES. IN ADDITION TO THE INFORMATION ALREADY SUBMITTED BY THE MAAGS IN UPDATING THE FY 1975-79 SECURITY ASSISTANCE PROGRAM OBJECTIVES MEMORANDUM (POM), I AM LOOKING FORWARD TO YOUR OVERALL ASSESSMENT OF THE PROGRAM AS REQUESTED IN PARA 1 B OF REFTEL. THE SAPRC DELIBERATIONS WILL ALLOW A SYSTEMATIC INTERAGENCY EVALUATION OF ALL POLITICAL, MILITARY AND ECONOMIC FACTORS AND A BALANCING OF PRIORITIES AGAINST AN ASSESSMENT OF BOTH OUR WORLD-WIDE INTERESTS AND OUR AVAILABLE BUDGET RESOURCES. I AM PARTICULARLY INTERESTED IN YOUR PERSONAL EVALUATION OF THE VARIOUS COMPONENTS OF THE SECURITY ASSISTANCE PROGRAM

AND THE EFFICACY OF EACH IN HELPING THE US TO MEET SPECIFIC POLITICAL AND SECURITY OBJECTIVES.

6. FOR ADDIS: FOREGOING SENT INFO IN VIEW OF ONGOING USG/IEG DISCUSSIONS FOLLOWING EMPEROR'S RECENT VISIT.

7. FOR JAKARTA: WE RECOGNIZE THAT INDONESIA'S HEAVY DEBT BURDEN, IMF RESTRICTIONS ON MEDIUM TERM BORROWING, THE NEED TO MAINTAIN CONFIDENCE OF IGGI DONORS AND THE

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 100776

GOI'S CONTINUING DETERMINATION TO CONCENTRATE MAXIMUM RESOURCES ON ECONOMIC DEVELOPMENT APPEAR TO RULE OUT USE OF FMS CREDIT PURCHASES OR GUARANTEES FOR THE NEXT THREE TO FIVE YEARS. POSSIBLE ALTERNATIVE MEANS OF ASSISTING GOI TO MEET FUTURE PRIORITY DEFENSE NEEDS WERE DISCUSSED STATE 055336. WE SHOULD ALSO MAKE EVERY APPROPRIATE EFFORT TO ENCOURAGE AUSTRALIA TO INCREASE ITS MILITARY ASSISTANCE TO GOI. RUSH

CONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE100776
Document Source: CORE
Document Unique ID: 00
Drafter: DJJAMES: ML
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730553/aaaajsbn.tel
Line Count: 165
Locator: TEXT ON-LINE
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 STATE 024348
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 20 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Nov-2001 by shawdg>; APPROVED <02-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980304
Subject: SECURITY ASSISTANCE
TAGS: MASS, VS
To: ADDIS ABABA
AMMAN
ANKARA
BANGKOK
JAKARTA
MANILA
PHNOM PENH

SEOUL

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005